G. R. S. IX-5]

Previous references.

File No. 235 of 16

Serial Nos. 1 and 2

1916-17

(G.7)

Later references.

G F 217-16-Sls-14, B Oct 1919.

GENERAL AND REVENUE SECRETARIAT.

P. 16.E *Serial Nos.* 1 and 2

Part B for May 1917

SUBJECT.

Note of Mr. K. L. Datta on "Distribution of the receipts from the mining companies on account of power supplied.

Sl 2

To the Secretary P.W.D.
" " Comptroller
" Mr. K. L. Datta

} H 6910-12 & 4.5.17

Approves and passes provisional orders on the above suggestion

W D 88—GPB—50,000—24-7-16

A J Dawkins

C. 161 917

27.2.17

GENERAL AND REVENUE SECRETARIAT.

(G.7)

NOTES.

23[illegible]16

G.7 File No. 7m727

FILE HEADING.

Note of Mr K. L. Dalal on Distribution of the receipts from the mining companies on account of spares supplied –

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

GPB—35,000—15-6-12

2

G.R.S. III—3]

Fin 779

Routine Notes. C. F. 235-16.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Distribution of the receipts from the Mining Companies on account of power supplied.

1) Three copies of my letter No. 1871 on the above subject are forwarded, with enclosure, to the Financial Secretary to Government, for favour of necessary action.

Dated 1871

2) May the Comptroller kindly be consulted.

Fleury).

18
22/1/17

3)

COMPTROLLER'S OFFICE
CIVIL BRANCH,
BANGALORE
MYSORE GOVT.

28/1/17

31 JAN 1917

4) Forwarded to the Comptroller with compliments. No. for favour of his opinion

No. R 390 dt 21/1/17 & enclosure returned herewith

51 150

29.1.17.

I/We. Datta has consulted me in the matter and I agree with him.

M. V. Ramamurthy 31-1-17

5) Avoid receipt of Dy. Secy's remarks. 2-2-17.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

DISTRIBUTION OF THE RECEIPTS FROM THE MINING COMPANIES ON ACCOUNT OF POWER SUPPLIED.

In my note on classification, I have pointed out that the whole of the revenue now realised from the Mining Companies on account of Electric Power supplied to them, is credited as receipts on account of the Cauvery Power Scheme and no portion of it is credited to the head "Irrigation" although the State has incurred a considerable amount of capital expenditure for the storage of water at Kannambadi in order not only to ensure the existing supply of power throughout the year but also to enable additional power to be generated throughout the year.

2. The effect of the present procedure is to show in the accounts a much larger return for the capital expenditure incurred on the Cauvery Power Scheme than can really be ascribed to it and to show no return for the capital expenditure incurred for the storage works, which is charged under "Irrigation Capital Expenditure." It is essential that the revenue realised for the supply of the power should be distributed between the two heads "Irrigation" and "Cauvery Power Scheme," and I submit the following proposals for such distribution.

3. I presume that the revenue from the Bangalore and Mysore Power and Lighting Schemes is unaffected by the construction of the Reservoir as neither the quantity of power consumed, nor the rate charged for it has been altered. So far as these two Schemes are concerned, it has, therefore, to be taken that the conditions existing before the construction of the Reservoir continue. On this assumption no portion of the revenue from these two Schemes should be taken as belonging to the Reservoir.

4. I take it that the Sivasamudram Falls could supply during the rainy season the whole of the power required by the Mining Companies but that if it were not for the storage of water at Kannambadi, the supply during the hot weather would have to be considerably curtailed. The State having guaranteed a constant supply throughout the year, by means of the storage works, the Mining Companies have agreed to raise the rate per horse power from £10 to £12 for the whole amount of power supplied. The additional £2 per horse power is thus being obtained entirely in consequence of the construction of the Reservoir. One-sixth of the total amount realised from the Companies on account of the supply of power should therefore be credited to the Reservoir, the Cauvery Power Scheme not being entitled to this portion of the revenue at all. The revenue due to the amount of power supplied to the Mines before the construction of the Reservoir, calculated at £10 per horse power belongs entirely to the Cauvery Power Scheme.

5. Next, provision has been made for the supply of an additional 5,000 H.P. by means of the storage works. I also presume that during the rainy season, this supply also could have been made by the Power Works even if there had been no storage reservoir. It is true that the Companies would probably never have agreed to utilise this power unless the supply was guaranteed throughout the year but I neglect this consideration as both the works belong to Government and a perfect division of the profits between the two works is not necessary. I also presume that during the hot weather by no manner of means could the Power Works have supplied this additional power unless the storage reservoir had been constructed and that the duration of the hot weather may be taken at five months. The revenue derived from this additional supply during these five months at £10 per annum per horse power should, therefore, be held to belong to both the Reservoir and the Cauvery Power Works and should be divided between them as both the works must be considered to be essential for the supply and the revenue realised should be considered as a fair return for the capital expenditure on both. The question for consideration then is in what proportion should this division be made. I am of opinion that the proportion should be the same as that between the capital expenditure incurred for the storage of the water required for the

generation of the additional power and that incurred for the actual generation and supply, namely, that on the fourth installation of the Cauvery Power Works. I now proceed to determine the respective amounts of the capital expenditure.

6. (*a*) The estimated cost of the first stage of the Reservoir is Rs. 103,80,368 or 104 lakhs of rupees in round figures.

(*b*) The first stage of the Reservoir is estimated to supply water for the following purposes :—

i. Quantity for ensuring summer supply	...	1,300 million c. ft.
ii. Do for additional power	...	3,500 ,,
iii. Irrigation	...	6,230 ,,

(*c*) The estimated cost of the Reservoir in proportion to the water to be used for the different purposes is therefore as follows :—

i. For ensuring summer supply	...	Rs. 12,23,071 or 12 lakhs roughly.
ii. Additional power	...	,, 32,93,861 or 33 ,,
iii. Irrigation	...	,, 58,63,436 or 59 ,,

(*d*) The estimated cost of the fourth installation of the Cauvery Power Scheme is Rs. 21,24,925 or 21 lakhs roughly.

(*e*) The share of the capital cost of the Reservoir attributable to the share of water required for the generation of the additional quantity of electricity and the capital expenditure on the Cauvery Power Scheme Works for generating and supplying the additional quantity of electricity is therefore as follows :—

Reservoir	...	Rs. 33 lakhs (Para *c supra*)
Cauvery Power Scheme	...	,, 21 lakhs (Para *d supra*)

The revenue may therefore be divided between the two works in the ratio of 33 : 21 or roundly 3 : 2. It will however be difficult to determine every year the exact amount of revenue realised on account of this additional supply. For the purpose of this calculation, however, the amount of the revenue to be divided in this proportion may be taken at a fixed sum, namely, five months share of the revenue from a supply of 5,000 H.P. or $\frac{5}{12} \times £10 \times$ 5,000 or Rs. 3,12,500. Three-fifths of this or Rs. 1,87,500 may be taken as the annual share of this revenue belonging to the Reservoir.

7. To sum up, I propose that the Comptroller may be authorised at the end of every year to transfer from the head "Cauvery Power Scheme" to the major head "Irrigation Revenue" one-sixth of the total receipts credited under the former on account of supply of Power to the Mining Companies plus a fixed sum of Rs. 1,87,500.

K. L. DATTA.

3-1-1917.

G. R. S. 12]

General and Revenue Secretariat.

File No. 779 of 1916.

Serial No.	
8	The subject was considered by the finance committee on the 16th February 1917 and their resolution in the matter is placed before:—

Secy

16/2

NOTE—Contn. sheet.

GPB—70,000—17-12-15

P.F. 955- 15)

Extract from the Proceedings of the 7th meeting of the Finance Committee, held on Friday the 16th February 1917.

S u b j e c t.

9 Distribution of Receipts from the Mining Companies on account of power supplies.

Opinion of Committee in the Council.

The note on "Distribution of Receipts from the Mining Companies on account of power supplied" was first considered. At the instance of the Public Works Secretary, Mr. Forbes, the Chief Electrical Engineer, explained in person, the view of the Electrical Department in the matter. The Committee resolved that the Krishnarajasagara Works may be treated as a Major Head in the accounts and that in the details given under it, the Electrical Revenue should be shown separately from other revenues and ~~It was further resolved~~ that one-sixth of the net earnings of the Sivasamudram-Kolar section, may be credited to Krishnarajasagara Works in addition to half the earnings from the additional supply since the 16th July 1915.

NR

Secretary, Finance Committee.

Extract from the proceedings of the eighth meeting of the Finance Committee held on the 23rd February 1917

S u b j e c t

10) Distribution of Receipts from the Mining Companies on account of power supplied

Opinion of the Committee

As a portion of the resolution passed at the previous meeting of the Committee on the above subject was not clear and properly worded the following revised resolution ~~framed by the Secretary~~ was adopted :-

" The Note on the Distribution of Receipts by the Mining Companies on account of power supplied was first considered. At the instance of the Public Works Secretary Mr.Forbes Chief Electrical Engineer explained in person the view of the Electrical Department in the matter. The Committee resolved that the Krishnarajasagara Works may be treated as a major head in the accounts and that in the details given under it the Electrical Revenue should be shown separately from other revenues.

Also the following transfer should be effected. The net earnings of the Cauvery Power Scheme should be first calculated by deducting working charges from the gross earnings. One-sixth of such net earnings should in the first place be transferred to Krishnarajasagara. Of the remaining five-sixths the portion which appertains to the additional power supplied since 16th July 1915 should be calculated pro-rata and five-twentyfourths ($\frac{5}{24}$ths) of the revenue accruing from such additional power supply should again be transferred to Krishnarajasagara".

J Shamanna
Secretary, Finance Committee

To file secy. for next meeting with compliments
J Cancil.
24/2/17

c.s
Enclosure in next agenda sheet
2/3

G. R. S. 12]

General and Revenue Secretariat.

For Q 7 File No. 779 235 of 191 6

Serial No.

(1) Extract from the Proceedings of the Council is put up.

Forwarded with compliments to the Secretary to Government, Financial Department, for favour of necessary further action.

By Order

D. M. Narasinga Rao 16/3

Secretary to Government,
General Department,

A/s Fin

(2) for a draft & brief D.S.N. Please refer to the fact that the subject was under consideration

M. 17/3

(3) Draft subt

K 17/3

K (Secy) 16 4.3.17

(4) WM WB 15 16 20/3/17

(Dewan).

NOTE—Contn. sheet.

W D 2382—GPB—500—20-3-16

8

Extract from the Proceedings of the 412 to Meeting of the Council of His Highness the Maharaja, held at Bangalore on the 15 th March 1917.

Subject.- (Clause viii of the schedule.)

16) Mr. Datta's Note on the 'Distribution of the receipts from the Mining Companies on account of power supplied.

OPINION OF THE COUNCIL.

The views of the Finance Committee may be provisionally accepted. The question should again be re-examined thoroughly from all points of view.

(Sd.) M. Visvesvaraya,
Dewan of Mysore.

"EXTRACT"

D. M. Narayana Rao
Secretary to Government, 1673
General Department.

WD—156—GPB—1,000—19-7-16.

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | C J File No. 235 of 1916

Serial No.	
2.	I The Secy P.W.D " Comptroller " K. L. Datta Appn & para from Secret under ack

H 6910-12
H 4.5.17

NOTE—Contn. sheet.

Submitted to His Highness.

Mr. Datta, Special Officer, has prepared the accompanying note dated 3rd January 1917 on the subject of "Distribution of the receipts from the Mining Companies on account of power supplied".

2. The question of the apportionment of the receipts from the Mining Companies between the Cauvery Power Scheme and Krishnarajasagara Works has been under the consideration of Government for some time past, both in the Public Works and Finance Departments. The subject was considered by the Finance Committee in two meetings held on 16th and 23rd February 1917 and their views are recorded in the appended extract of the proceedings dated 23rd February 1917.

3. The Council have provisionally accepted the views of the Finance Committee and are of opinion that the question should again be re-examined thoroughly from all points of view.

Draft for approval.

4. The accompanying draft order proposed to be issued may be graciously approved.

M. Vishveshwaraya.

22nd Apr. 1917.

Jr.M-12976. C.F. 238-4
Ser: 1

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Draft order on Mr.Datta's note on the "Distribution of the receipts from the Mining Companies on account of power supplied."

Order.

~~KRW~~
27/4/17

F.C. Sunkey
1.5.17 AG
M/o Fin
2/5/17

P.A.I.

Please get the following information ready so that I may complete my note on the Huzur Treasury re-organization:

1. Number of British military pensioners paid in the Bangalore District Treasury every month. Sometime ago this information was obtained in the Comptroller's Office.

Between 250 & 313.
Average comes to 275.

2. When money is required to be sent from the Mysore Madras Bank to the Bangalore -- District Treasury whether it is first to be brought to the Huzur Treasury and --- shroffed and then sent to the Bangalore District Treasury and again shroffed there

2. Money is not brought to the Huz Try but the Huz. Try Shroffs go to the Bank receive the money at the Bank, Shroff it there and take it to the Distt Try where the Distt Try people shroff the money again before the Huz. Try Shroffs

3. Distance of the Bangalore taluk Treasury from the Public Offices.

3. 1 11/12 miles.

4. Amount of interest earned on the balances kept at the Bank of Madras, -- Bangalore during each of the last five years.

4. Jan 11 to June 11	37553
" 12 —— " 12	64520
" 13 —— " 13	129,954
Oct 13 Dec " 13	41,467
Jan 14 to June 14	54598
" 15 — " 15	6,640
" 16 — " 16	12,442

5. Papers in connection with the last re-organization of the Office of the -- Superintendent of Stamps. The Secretariat file may be obtained.

22nd February 1917.

22.2.17

DIVISION OF KRISHNARAHASAGARA REVENUES.

The resolutions of the Finance Committee on this subject as drafted at yeasterday's meeting were as follow :--

> "The note on the distribution of Receipts from the Mining Companies on account of power supplied was first considered. At the instance of the Public Works Secretary, Mr. Forbes,-- Chief Electrical Engineer explained in person the view of the Electrical Department in the matter. The Committee resolved that the -- Krishnarajasagara Works may be treated as a Major Head in the accounts and that in the -- details given under it, the Electrical Revenue should be shown separately from other revenues [and that one-sixth of the net earnings of-- the Sivasamudram-Kolar Section may be credited to Krishnarajasagara Works in addition to half the earnings from the additional supply since the 16th July 1915]"

It seems to me that in accordance with the trend of discussion, the correct wording of the part of the resolution, enclosed in brackets above, should be as follows, a full stop being placed after the word revenues.

> "Also the following transfer should be effected: The net earnings of the Cauvery Power Scheme should be first calaulated by deducting from the gross earnings, working charges ~~and depreciation~~. One-sixth of such net earnings -- should in the first place be transferred to Krishnarajasagara. Of the remaining five-sixths, the portion which appertains to the additional power supplied since 16th July 1915 should be calculated pro-rata and five-twenty-fourths ($\frac{5}{24}$ths) of the revenue accruing from such additional power supply should again, be transferred to Krishnarajasagara."

All that was decided in the Committee with reference to the second portion of the transfer was that

that the proposrtion 3/5 suggested by Mr. Datta should be changed to 1/2. But he wanted to transfer 3/5 of the revenue for five months only, that is, 3/5 x 5/12 of the revenue due to the extra supply. This figure of 3/5 x 5/12, the Committee changed to 1/2 x 5/12 or 5/24. Hence the necessity for redrafting the resolution. The Committee's approval to the revision is requested.

17.2.17

President
Member

The revised draft makes it more clear & is approved

17/2

I have to say. The revised draft - I object to the full.

We do not discuss the meaning of "net earnings"

By calling deputation. The CR has not got the full £2 yet. I think it was intended that it shd get the whole of the £2.

19

DIVISION OF KRISHNARAJASAGARA REVENUES.

The resolutions of the Finance Committee on this subject as drafted at yesterday's meeting were as follow :--

> "The note on the distribution of Receipts from the Mining Companies on account of power supplied was first considered. At the instance of the Public Works Secretary, Mr. Forbes,-- Chief Electrical Engineer explained in person the view of the Electrical Department in the matter. The Committee resolved that the -- Krishnarajasagara Works may be treated as a Major Head in the accounts and that in the -- details given under it, the Electrical Revenue should be shown separately from other revenues (and that one-sixth of the net earnings of-- the Sivasamudram-Kolar section may be credited to Krishnarajasagara Works in addition to half the earnings from the additional supply since the 15th July 1915)"

It seems to me that in accordance with the trend of discussion, the correct wording of the part of the resolution, enclosed in brackets above, should be as follows, a full stop being placed after the word revenues.

> "Also the following transfer should be effected; The net earnings of the Cauvery Power Scheme should be first calculated by deducting from the gross earnings, working charges (and depreciation) One-sixth of such net earnings -- should in the first place be transferred to Krishnarajasagara. Of the remaining five-sixths, the protion which appertains to the additional power supplied since 15th July/915 should be calculated pro-rata and five-twenty fourths of the revenue accruing from such additional power supply should again, be transferred to Krishnarajasagara."

Mr. Datta does not agree to the exclusion of depreciation. He agrees to the rest. 17-2-17 ×

All that was decided in the Committee with reference to the second portion of the transfer was that :

that the propogrtion 3/5 suggested by Mr. Datta should be changed to 1/2. But he wanted to transfer 3/5 of the revenue for five months only, that is, 3/5 x 5/12 of the revenue due to the extra supply. This figure of 3/5 x 5/12, the Committee changed to 1/2 x 5/12 or 5/24. Hence the necessity for redrafting the resolution. The Committee's approval to the revision is requested.

G.R.S. 28]

REV. SECRETARIAT. 2 TYPING Sec. 3 MAY 1917

*Diary No. of letter replied to*_____

GENERAL AND REVENUE SECRETARIAT.
( )

, *the* 191

Date of issue 4-5-17

Signed by W Srinivasiengar

G.T.

File No. 235

Serial No. 2.

Proceedings of the Government of His Highness the Maharaja of Mysore

READ—

Note dy 3-1-17 of Mr Datta, Special Officer on the distribution of receipts from the Mining Companies on account of Power Supplied —

ORDER THEREON.—No. H 6910-12 dy 4th May 17

The subject of the proper apportionment of the receipts from the Mining Companies ~~due to the additional installations in~~ between the Cauvery Power scheme and the ~~connected with the Construction of the~~ Cauvery Reservoir (Krishnarajasagara) works have been under the consideration of Govt. for some time past.

over.

SUBJECT.

2. Mr Datta in his note read above has suggested that (4) one sixth of the total receipts credited under C.P.S on account of supply of power to the Mining Companies plus a fixed sum of Rs 1,87,500 maybe transferred annually from that head to the (Slip) head Irrigation Reserve.

GPB—50,000—1-12-12

9)

2. Govt. are pleased to pass the following provisional orders in the matter.

(a) The Krishnaraj Sagara works may be treated as a major head in the accounts and that in the detailed printed estimates the Electrical revenue (which shall be shown separately from other kinds of revenue ..... transferred as per rules in force and the following paragraph

(b) The net earnings of the C.P.S. should be first calculated by deducting working charges from the gross earnings - One sixth of such net earnings shall in the first place be transferred to Krishnaraj Sagara Project (b) Of the remaining five sixths the portion which appertains to the addl. power supplied since 1st July 1915 should be calculated pro rata and pie-tariff profits of the revenue accruing from the addl. power supply shall again be transferred to Krishnaraj Sagara Project (b/24)

(c) 4. Govt. desire that the ~~The question of the distribution above~~ 3. The subject shall ~~accepted~~ again be re-examined thoroughly from all points of view in the Finance & P.W. Offices, and definite proposals ~~in~~ be placed

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

them
~~hupmefoot~~ hospital aides

~~very carpets~~.

M
20/3
Hdrs

K
17.3.17

To

The Secy to Govt, P. W. D.

" Comptroller

4 Copies " Special officers (Turkish Batta